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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re :  
: Chapter 11  
SEARS HOLDINGS CORPORATION, *et al.*, :  
: Case No. 18-23538 (RDD)  
: (Jointly Administered)  
Debtors. :  
-----X

**LIMITED OBJECTION OF REBUILDING TOGETHER, INC. TO DEBTORS'  
NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND  
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES  
IN CONNECTION WITH GLOBAL SALE TRANSACTION**

Rebuilding Together, Inc. (“RTI”), by and through its undersigned counsel, hereby files this limited objection (the “Objection”) to the *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in connection with Global Sale Transaction* (ECF No. 1731) (the “Assumption Notice”), filed by the above-captioned Debtors (collectively, the “Debtors”).<sup>1</sup> In support thereof, RTI respectfully states as follows:

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SRC Sparrow 1 LLC (None); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc.

**STATEMENT OF OBJECTION**

1. On November 19, 2018, the Court entered the *Order Approving Global Bidding Procedures and Granting Related Relief* (ECF No. 816), which contemplates a process for the assumption of executory contracts and unexpired leases.

2. On January 18, 2019, the Debtors filed a Notice of Successful Bidder and Sale Hearing (ECF No. 1730), stating that Transform Holdco, LLC, established by ESL Investments, LLC (the “Purchaser”), was the successful bidder for the Global Assets (as defined therein).

3. On January 18, 2019, the Debtors filed the Assumption Notice, which lists a number of purported executory contracts and leases that the Debtors claim are subject to possible assumption and assignment to the Purchaser in connection with the sale.

4. RTI is party to that certain Charitable Fundraising, Donation and Licensing Agreement, dated April 1, 2018 with Sears Holdings Management Corporation (the “Agreement”).

5. RTI is a charitable organization that, among other things, provides necessary repairs, including home modifications, roofing, plumbing and electrical repairs and/or improvements, free of charge to low-income homeowners in the United States (the “Charitable Purpose”).

6. In fulfillment of the Charitable Purpose, the Agreement provides for the Debtors and RTI to collaborate in fund raising for RTI through a promotion that encourages small point of sale donations to be made by the Debtors’ customers.

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(1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); SRC Sparrow 2 LLC (None); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); SRC O.P. LLC (None); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); SRC Facilities LLC (None); and SRC Real Estate (TX), LLC (None). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

7. The Assumption Notice purports to identify the Agreement at line 5789 on Exhibit A at page 249 of the document, but identifies no “Cure Amount”.

8. Given the charitable nature of funds withheld by the Debtors from customers, it is possible that the Debtors view the amounts due under the Agreement as something other than a cure payment.

9. However, given the lack of clarity existing in the form of Assumption Notice and limited time to communicate concerning this subject, RTI files the instant objection to avoid any doubt and state its position.

10. RTI asserts that not less than \$424,602.22 has been collected for the benefit of RTI and is due to be paid over pursuant to the Agreement as of the date of the Assumption Notice.

11. If the Debtors intend by the Assumption Notice to argue that less than \$424,602.22 is due under the Agreement to RTI, then RTI hereby objects.

12. For the avoidance of doubt, the foregoing amount may be subject to further adjustment and reconciliation. Moreover, other non-monetary defaults may exist under the Agreement and all rights are reserved in this regard. RTI therefore reserves the right to amend this Objection.

**WHEREFORE**, RTI objects to any attempt by the Debtors to assume and assign the Agreement without paying the amount of \$424,602.22, together with such other and further relief as the Court deems just and proper.

Dated: New York, New York  
January 25, 2019

**KLESTADT WINTERS JURELLER  
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